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Claims 1 - 20 have been cancelled without prejudice or disclaimer. Claims 21 - 51 have been voluntarily added to round out the scope of the invention.

Applicant respectfully submits that no new matter has been added and the amendments made above are not to create estoppel that limits the scope of the claims.

Attached hereto are a red-lined and clean copy of Fig. 5 showing the changes made with regard to arrow 1.

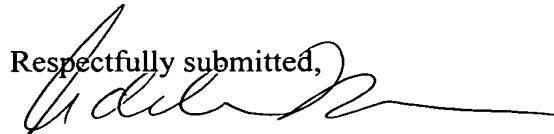
Attached hereto is a marked-up version of the changes made to the specification by the current amendment. The attached page is captioned **"Version With Markings To Show Changes Made"**.

Attached hereto is a clean version of the new claims added by the current amendment as per 37 CFR §1.121. The first attached page is captioned **"Clean Version of Claims for Scanning Per 37 CFR §1.121"**.

Applicant asserts that the present invention is new, non-obvious and useful. Entry of this Amendment, prompt consideration and allowance of the claims is respectfully requested.

If the Examiner has any questions or comments as to the form, content, or entry of this paper, the Examiner is requested to contact the undersigned at the address and telephone number below.

Respectfully submitted,



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Version with markings to show changes made

In the specification:

The paragraph beginning at line 5 of page 1 has been amended as follows:

This application claims the priority of ~~is related to~~ US Provisional Patent Application 60/179,017, filed 31-Jan-00 and entitled "System And Method For Conducting Credit Card Transactions Over An Insecure Network", US Provisional Patent Application 60/197,002, filed 13-Apr-00 and entitled "System And Method For Conducting Credit Card Transactions Over An Insecure Network", and US Provisional Patent Application 60/220,498, filed 25-Jul-00 and entitled "Applications Of Automatic Identification", all of which are incorporated in their entirety herein by reference.

The paragraph beginning at line 1 of page 21 has been amended as follows:

A transaction is initiated by a request from user 172 to merchant 178 by means of anonymous network 176 (arrow 1). Merchant 178 then requests identification system 182 to identify user 172 (arrow 2). This request is made over a secure connection. Identification system 182 automatically identifies the user, for example in accordance with the identification method of US patent application "Automatic Network User Identification Method for Identifying Internet Users". Identification system 182 will find appropriate identification information, for example the user's credit card account number. The identification information may be obtained from any database that can associate a user ID obtained by identification system 182 with identification information usable by a billing system. For example, the NAP of the user usually has a billing database used to charge its customers for access. This database will normally associate the username of the user (as authenticated each session) with his billing details.

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The paragraph beginning at line 14 of page 21 has been amended as follows:

Identification system 182 then sends the user ID and identification information to ID switching module 184 (arrow 3), and the user ID to merchant 178 (arrow 4). Both of these are also sent over a secure connection. Merchant 178 then processes the transaction using his standard payment processing methods, with the exception that the user ID replaces the identification information. The transaction first goes to ID switching module 184 (arrow 5), which may be placed between merchant 178 and issuing bank 180 on the interchange network". ID switching module 184 replaces the user ID with the identification information of the user, as described in detail hereinbelow with respect to Fig. 7, and forwards the transaction over the Interchange network to the issuing bank's processing system, where it is handled like a standard payment transaction (arrow 6).

The paragraph beginning at line 22 of page 22 has been amended as follows:

Identification system 182 sends (arrow 3) the association between the user ID and the identification information over a secure connection. One method of making this communication secure is by utilizing the existing connection of the NAP to the interchange network, taking into account that the NAP is an essential participant in identification system 182. Because NAPs have means to charge their customers, for example, using credit cards, they also have access to appropriate payment processing mechanisms. An NAP that has an NAP identification module similar to that described in US patent application "Automatic Network User Identification Method for Identifying Internet Users", may use this connection to send the message depicted by arrow 3. For example, the NAP will send an authorization transaction with the user's identification information and add the user ID in another field, such as an AVS (Address Verification Service) field. This method may not work if ID switching module 184 is located at the acquiring bank, Merchant card processor or Internet Payment Gateway, since the NAP and merchant 178 may process their card transactions through different institutes, and the association transaction and purchase transactions may not be matched. In such case, it may be necessary to install several ID switching modules 184 and have them share information.

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The paragraph beginning at line 12 of page 26 has been amended as follows:

It should be noted that, while using the technology of US patent application "Automatic Network User Identification Methods for identifying Internet users" gives the system some strong advantages, the applications described can be implemented using any identification method. For example, the customer may be required to enter his NAP username and password manually during the transaction, to use a smart card, biometrics etc. The system is unique in that NAPs, which already have the confidential billing information of the customer, send it over a secure connection directly to the interchange network rather than having the customer send it over an insecure network to a merchant.

The paragraph beginning at line 14 of page 27 has been amended as follows:

In the system described in Fig. 8, an online merchant collects relevant user information (step 222), and submits it to the identification system for verification (step 224). The user is then identified in accordance with the identification method described in US patent application "Automatic Network User Identification Methods for Identifying Internet Users" (step 226) or any other appropriate identification method. The extracted identification details of the user are matched against the manually provided details, and a match report is provided to the merchant (step 228). The merchant then decides whether or not the transaction is fraudulent (step 230), denies or allows the transaction (steps 232; and 234 respectively), and waits for the next user to provide information (step 222).